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RUEHCN/AMCONSUL CHENGDU 2057  
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RUEAIIA/CIA WASHDC  
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RHHJJAA/JICPAC HONOLULU HI  
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C O N F I D E N T I A L SECTION 01 OF 02 TAIPEI 001956

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SUBJECT: SECRETARY-GENERAL YEH ON UN REFERENDUM, "NORMAL COUNTRY" RESOLUTION, AND DOMESTIC POLITICS

REF: TAIPEI 01950

Classified By: AIT Director Stephen M. Young, Reason 1.4 (b/d)

¶1. (C) Summary: Presidential Office Secretary-General Yeh told the Director on August 24 that President Chen understands U.S. concerns over pushing issues that touch on the question of Taiwan sovereignty, but he is under a "great deal" of domestic pressure to press forward with an initiative like the UN referendum that is already underway. Yeh said that promoting the UN referendum is Chen's way to respond to those calls while deflating pressure for more "radical" deep Green initiatives. There are divisions within the DPP over how far to push a more radical program, especially over Party Chairman Yu Shyi-kun's call for a "normal country" resolution and a defensive referendum. Although the DPP is likely to pass the "normal country" resolution, Yeh stated, Chen and DPP presidential candidate Frank Hsieh want the final document to focus on basic principles--that Taiwan is an independent, sovereign state and not part of China--and to eschew some of the more "controversial substance." The Director emphasized deep U.S. concerns about such initiatives. He told Yeh that U.S.-Taiwan relations are entering a sensitive period and, if not properly handled, President Chen risks bequeathing his successor a difficult relationship. End Summary.

¶2. (C) Presidential Office Secretary-General Yeh Chu-lan and the Director on August 24 discussed Taiwan's UN referendum, the Democratic Progressive Party's "normal country" resolution, and domestic politics. Yeh, who started her job August 20, said she originally hoped to meet the Director as the DPP vice-presidential candidate. Her long-time political ally Frank Hsieh's (Chang-ting) decision to select former Premier Su Tseng-chang as his running mate, nevertheless, had the best interests of the party in mind. Yeh said she now serves President Chen, not Hsieh. Though the two leaders may have disagreements and different ideas, they share a commitment to take Taiwan and the party forward in "the same direction."

¶3. (C) The Director told Yeh that while the U.S respects Taiwan's democracy, AIT has underscored to both Chen and Hsieh U.S. concerns that recent initiatives, such as the UN referendum and the "normal country" resolution, are steps that could unsettle the cross-Strait status quo and upset

stability and peace throughout the region. The Director emphasized U.S. concern that in an election year additional "surprises" from President Chen might lie ahead.

14. (C) Yeh told the Director that President Chen understands U.S. concerns, but he is under a "great deal" of domestic political pressure to press forward with an initiative like the UN referendum that is already underway. Deep Green supporters within the party, social groups, and a majority of the public, Yeh contended, strongly believe in the need for Taiwan to be represented in the UN. Yeh said that pushing the UN referendum is Chen's way to respond to those voices while deflating pressure for more "radical" deep Green initiatives. Yeh added that the UN initiative also promotes cross-Straits peace and stability and the status quo by making clear that Taiwan is not a part of China.

15. (C) Yeh suggested that the U.S. should not be concerned about more surprises from President Chen in the coming year. There are divisions within the DPP over how far to push a more radical program, especially over Party Chairman Yu Shyu-kun's recent initiatives for a "normal country" resolution and a defensive referendum. Yeh echoed Premier Chang Chun-hsiung's prediction (Reftel) that Yu may soon be replaced as party chairman because his views are increasingly out of step with the party mainstream, and with Frank Hsieh in particular.

16. (C) Yeh said that the DPP would approve the "normal country" resolution because no one, including President Chen, could afford to oppose it in principle. The current draft calls for changing the national title, defining the territory, and revising the constitution, all of which Yeh

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acknowledged are steps toward changing the status quo. The party will continue extensive discussions to reach compromise language that tones down the content of the resolution by August 30, when the party's Central Executive Committee is scheduled to vote on the measure. Yeh told the Director that party leaders are in agreement that the wording of a final resolution must be acceptable to both Chen AND Hsieh. Yeh noted that Hsieh's trip to the U.S. had had a "big impact" on his thinking, deepening his understanding of the U.S. position on such issues. Yeh said that Chen supports passage of a resolution with the condition that the content as currently worded is changed. As a result, the focus of ongoing discussions is on formulating language that reflects the DPP basic principles--that Taiwan is an independent, sovereign state and not part of China--and removing some of the more "controversial substance." Yeh, a member of the resolution working group, underscored that both Chen and Hsieh will be "careful" in handling the issue.

7 (C) Yeh protested to the Director that the U.S. transit through Alaska offered to President Chen had "hurt" the Taiwan people. The Director replied that although the U.S. and Taiwan may not always agree, open and frank communication is important. U.S.-Taiwan relations are entering a sensitive period and if not properly handled President Chen risks bequeathing his successor a difficult relationship. The Director said the U.S. viewed President Chen's conduct when he met former AIT Chairman Brown in Alaska as disrespectful and urged President Chen to avoid similar behavior on the return transit when he meets with AIT Chairman Burghardt. Yeh promised to pass the message to Chen.

Comment

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18. (C) Although Yeh told us she is in her current job to serve President Chen, our meeting gave us the impression she is very much Frank Hsieh's person in the Chen administration. Yeh spent more time suggesting the party was trying to reword the language of the "normal country" resolution than assuring us--as Premier Chang had the day before--that this

initiative wasn't going anywhere. We made it clear failure to corral such ideas could further damage our bilateral relations and might have an impact on the broader U.S. view of the DPP and its presidential candidate. The Director echoed these sentiments later that day during a chance meeting with Hsieh's campaign manager, Lee Ying-yuan, and adviser Bikkim Hsiao. On August 27 he did the same over the phone with Frank Hsieh himself.

YOUNG